



Memorandum

TO: DOWNTOWN PARKING BOARD (DPB) **FROM:** Joe Garcia, DOT
SUBJECT: ON-STREET SMART METER REPORT **DATE:** 09-27-13

RECOMMENDATION

Approval of the following recommendations to upgrade Downtown Core on-street meters to new Smart Meters:

1. Install Smart Meters in the Downtown Core for the area bounded by St. James St, Fourth St, San Salvador St, and Highway 87 (Attachment A) and establish a new rate of \$2 per hour for meters within this boundary. Support expansion of the Smart Meters to other areas in the Downtown if supported by adjacent businesses.
2. Conduct a Pay-by-Cell mobile payment pilot with the Smart Meters to assess customer benefits, usage and operational impacts of this payment option.
3. Establish a Convention Center Meter District, install Multi-Space Pay Stations on segments of Almaden Blvd. and Woz Way, and establish a meter rate range of \$0 to \$25 per day.
4. Review the Pros and Cons (Attachment B) and vote on extending the operational hours of Smart Meters from 6 PM to 8 PM for the area bounded by St. John St, Market St, San Carlos St and Highway 87.

BACKGROUND

The On-Street Smart Meter Report presented to the DPB on August 7, 2013 summarized the results of the smart meter pilot conducted over the past year, and contained a series of recommendations to expand the implementation of these newer technology meters in the Downtown. The DPB conceptually approved staff's recommendations, and requested that information regarding the pros and cons of potentially extending the hours of operation of on-street meters from 6 PM to 8 PM be presented to the Board at its October meeting.

ANALYSIS

As conceptually supported by the DPB, staff recommends approval of the following meter program enhancements that are intended to contribute to the goals of improved customer access to and convenience in parking Downtown, ensure that any broad scale implementation of Smart

09-27-13

Subject: On-Street Smart Meter Report

Meters is financially sustainable, and enhance the capacity of the Parking Fund to support debt service payments of the 4th and San Fernando Garage.

1. Downtown Core Smart Meter Implementation

Upgrade all 1,122 meters in the Downtown Core to the new Smart Meter technology. This area was selected due to the compact nature of the area, and relatively high occupancy during the day and evening hours. Staff recommends approval of a broader Smart Meter zone to allow for maximum flexibility to expand implementation of the new meters beyond the initially proposed area, if supported by adjacent businesses. For example, this would provide staff the authority to pursue expansion of the Smart Meters to the entire South of First Street (SoFA) business district with the initial roll-out of this technology in the Downtown.

If Smart Meters are installed, staff recommends a meter rate increase from \$1 per hour to \$2 per hour for all meters in the Downtown Core. As previously shared with the DPB, the new rate is expected to encourage turnover and create more open parking spaces in prime on-street parking areas, cover all operating costs of the Smart Meters, and provide for recovery of the capital costs within a two-year period. Afterwards, the additional meter revenue would enhance the ability of the Parking Fund to support future debt service payments of the 4th and San Fernando Garage, and other priority initiatives within the Downtown.

2. Pay-by-Cell Payment Option Pilot

Pay-by-Cell technology enables the payment of parking via a smart phone “app” and mobile device, in lieu of coins or credit/debit cards. Concurrent with a roll-out of Smart Meters, staff recommends including a Pay-by-Cell pilot to provide for an assessment of the customer benefits, usage and any operational impacts of this payment option in the Downtown Core. Mobile payment technology could support the remote payment of meters when the customer’s parking stay needs to be extended, and would help promote a friendly Downtown with another payment option.

3. Convention Center Meter District

To better serve Convention Center patrons and to maximize parking options, staff proposes installing six multi-space pay stations to serve 50 new on-street parking spaces on Almaden Blvd. between San Carlos St. and Woz Way, and 13 existing metered spaces on Woz Way. As these spaces would primarily serve the Convention Center, staff proposes establishing a new meter district in the Convention Center area (Attachment A). Staff proposes that the on-street meter rate at these pay stations be consistent with the flat rate in effect at the Almaden/Woz and South Hall lots, which is generally \$7 per day; including evenings and weekends. To provide maximum flexibility in setting rates for a wide variety of events, staff proposes that a range of rates between \$0 to \$25 per day be established for the multi-space pay stations in the Convention Center meter district. Staff also proposes that flexibility be included in the Convention Center meter district rates to provide staff the ability to retain the hourly rate structure in place for the single space meters adjacent to the Children’s Discovery Museum and for the meters on Viola Avenue.

09-27-13

Subject: On-Street Smart Meter Report**4. Extended Hours of Operation**

As requested by the DPB, the Pros/Cons list summary (Attachment B) identifies various factors that should be considered as part of the decision to potentially extend the meter operational hours beyond the current 6 PM.

Parking occupancy of metered spaces is high in many areas of the Downtown Core during the evening, and staff believes it would be appropriate to extend the operating hours to 8 PM, of the meters in the interior portion of the Downtown Core bounded by St. John St., Market St., San Carlos St., and Highway 87. There are 388 meters in this area that is in close proximity to the Arena, Convention Center and other cultural facilities that provide highly sought after premium parking by visitors to Downtown businesses and/or attendees of Arena, Convention Center and various cultural events. During Sharks games and major Arena events these spaces are 95-100% occupied. Extending the hours of operation of this on-street parking supply would improve the availability of this premium parking for visitors and event patrons. With the ability to obtain free validated parking for most evenings in the City's main garages, providing free parking on-street is not necessary, and does not reflect the premium value of this parking. Free on-street parking would remain available on the perimeter of this area after 6 PM

Summary of Rate Modification/Operational Changes

The revenue impacts of the various recommendations contained in this report is summarized in the table below:

Smart Meter / Pay Station Locations	Current Rate \$1.00/hr	Proposed Rate \$2.00/hr
Downtown Core (1,122 Meters) Revenue Estimate	\$ 1,610,000	\$ 2,415,000
Net Change from current Revenue	\$ (84,000)	\$ 705,000
Almaden Blvd (56 Meters) Revenue Estimate	\$ 0	\$ 0
Net Change from current Revenue	\$ 65,000	\$ 100,000
Extended Hours (388 + 56 Meters) Revenue Estimate	\$ 0	\$ 0
Net Change from current Revenue	\$ 85,000	\$ 150,000
Convention Center District Pay Stations (63 Spaces)		
Net Change from current Revenue	\$ 50,000	\$ 50,000
Total Change from current Revenue	\$ 116,000	\$ 1,005,000

NEXT STEPS

Staff is finalizing a Request for Proposal to purchase Smart Meters; that is scheduled to be advertised in October and awarded in December, providing for the installation of Smart Meters

09-27-13

Subject: On-Street Smart Meter Report

by early to mid 2014. Based upon support from the DPB, staff will seek City Council approval to establish the proposed new Convention Center Meter District, implement the various proposed rate adjustments and extended hours of operation in the November/December timeframe. It is important to note that staff's recommendation to award a Smart Meter contract is contingent on establishment of a new on-street meter rate structure to fund the capital cost, the additional operating cost, and to support debt service payments of the 4th and San Fernando Garage. Staff will conduct outreach with key stakeholders in the Downtown concurrent with the RFP process.

ATTACHMENT B



Extending Meter Hours Pros and Cons



Extending Meter Hours from 6 PM to 8 PM

PROS	CONS
<ul style="list-style-type: none">▶ In higher demand areas, extended hours will increase the availability of on-street parking after 6 PM▶ Encourages employees not to park at the highest demand on-street spaces, making those spaces more available for customers▶ Extending operating hours recognizes value of on-street parking spaces after 6 PM, and encourages use of alternative transportation▶ Opportunity to generate additional meter revenue (\$150,000 annually) to support debt obligation of the 4th and San Fernando Garage and other future Downtown street priorities▶ May encourage further use of core Downtown garages and the free validated parking available for customers from participating merchants	<ul style="list-style-type: none">▶ Reduces free on-street parking spaces after 6 PM by about 20 %▶ Creates potential confusion about which spaces require payment after 6 PM, requiring additional signage on the meters, and the potential for additional parking citations▶ Requires parkers seeking free street parking to search for remaining free parking, east of Market Street or north of St. James Street, which may be perceived as too far▶ Stakeholders such as businesses, cultural venues, and their customers may not be supportive of the extended hours and perceive Downtown as less inviting